



THE AMERICAS UPDATE

MAY 2004

Export News

Argentina- The U.S. Commercial Service Buenos Aires is closely following plans being made by Argentine Customs to be the first country in South America to be certified under the U.S. Container Security Initiative (CSI). Inclusion in CSI would entail the need to equip ports with container scanning equipment, for use on U.S.-bound cargo. During a recent meeting with Argentine Customs officials, the U.S. Commercial Service learned that initial plans include the purchase of 6-9 container scanners with an estimated budget of approximately US\$ 100M ([Argentina - 04/19/2004](#)).

Brazil- Foreign investors in the hotel industry are discovering new potential for tourism in Brazil and creating business opportunities in regions that have previously been very little exploited. One example is the opening in May 2004 of the Quality Hotel Aracaju, in the capital of Sergipe, the Northeastern state between Bahia and Alagoas. Thus far hotels in this region have seen occupancy upwards of 80%. ([Brazil - 5/25/04](#))

Canada- U.S. manufacturers of sophisticated identity technologies to combat identify theft and give customers secure access to their account information such as smart cards and biometric systems will find many opportunities in Canada. Additionally, opportunities for manufacturers of information protection systems such as firewall software abound. According to a recent report issued by the Solicitor General of Canada, identity theft is one of the fastest growing crimes in Canada ([Canada - 04/16/2004](#))

Canada- The CDN\$43.3 billion (approximately US\$32 billion) foodservice industry is expecting growth of 4.2 percent in 2004. Making the greatest gains this year will be full service restaurants, increasing sales at a rate of 4.5 percent, and the contract and social catering sector, with an expected gain of 4.4 percent. Limited-service or quick-service restaurants, establishments offering counter service and take-out food, are a sector to watch. U.S. suppliers of foodservice equipment suitable for producing ingredients and menu items, especially in the quick-service and casual dining categories, that meet consumers' increasing demands for healthier food, will

have particularly significant new market opportunities. ([IMI 5/19/04](#))

Chile- According to the Santiago Chamber, there is room for progress in Chile's e-government procurement website, especially in the health and food sectors. Currently, there are more than 64,000 suppliers registered in www.chilecompra.cl. U.S. companies interested in registering, receiving notifications about government procurements in Chile and/or bidding are encouraged to contact the U.S. Commercial Service office in Santiago. ([Chile - 5/12/04](#))

Colombia- The United States continues to be the main supplier of print and graphic arts products and equipment to Colombia. Opportunities exist for US suppliers of machinery and equipment, books, plastic packaging, publishing materials, games, and office and school products are the most important PGA product categories imported into Colombia. US firms compete successfully in several categories such as chemicals, inks, papers, plastic packaging materials used in flexography, computer programs, color systems, small printing presses, newspaper presses, paper shredders, office supplies, and even in the market of books. ([Colombia - 5/26/04](#))

Guatemala-Guatemala has the highest concentration and per capita use of private aircraft and helicopters in Central America. As home to wealthy families and as regional headquarters for many multinational firms, demand for aviation equipment and services for the private aviation market is high. Target markets in Guatemala for private aircraft and helicopter use include the agricultural industry, top executives, and the private sector. While the sale of aircrafts is growing slower than in earlier years, there is a large market for aircraft parts and accessories as the existing aircrafts are growing older and requiring updating and repairs. Such accessories include air conditioning systems, complete airframes, doors, paints, and control surfaces. ([Guatemala - 5/21/04](#))

Mexico- Steel producers are facing an uncertain future due to the shortage of scrap, which translates into opportunity for U.S. scrap metal producers. Mexico currently has no export ban or restrictions on the export of this product and indeed has a scrap metal deficit. ([Mexico - 4/19/04](#))

Panama- Exporters of Security and Safety Products. Security has been of primary concern in Panama, especially within the industrial and business sectors. The total Panamanian market for safety and security products in 2003 was approximately \$16 million, up 15% from \$14 million in 2002, and is expected to grow another 15% to \$19 million in 2004. There are no import barriers for safety and security equipment ([Panama - 04/06/2004](#)).

Panama- E-purchase program introduced. The Comptroller's General Office and the Ministry of Economy and Finance announced the implementation of e-compras (e-purchase).

E-compras is an internet-based system that will cover the whole purchasing process from the original solicitation of a good or service until it is fully delivered. E-compras will include all purchases by the public sector including the central government and independent organizations. It will also identify appropriate funding organizations, i.e. government funds, trust funds, external financing, grants, etc. ([Panama - 03/19/2004](#))

E-compras can be accessed at: [e-compras](#)

Venezuela – E-Commerce Payments will be coming soon. Venezuela's central bank and the exchange control board CADIVI are studying the possibility of authorizing dollar payments utilizing the Internet, possibly as early as May. The use of credit cards abroad has already been authorized under certain restrictions, also setting a limit of USD 2,000/year. The Venezuelan authorities now intend to study the performance and uses of credits cards abroad before deciding on safeguards or limits for the use of Internet to make purchases via this route. It seems, however, that the use of Internet for the purpose of making purchases or to pay certain obligations abroad will be authorized soon. ([Venezuela - 04/27/2004](#))

Spotlight: Brazil

Setting Up Operations in Brazil ([04/26/2004](#))

Foreign investors interested in the Brazilian market should consider setting up a company or acquiring an existing entity. According to information provided by Marcondes Advogados Associados Law Office, both options are available to foreign investors, and are cheaper and easier to perform than the establishment of a branch office.

The formation of a branch office is allowed, but requires prior approval from the Brazilian Federal

Government. Such approval must come from the President himself as a Decree. However, any foreign individual or foreign company may form a legal entity in Brazil, just like a Brazilian citizen or company.

Pursuant to the Brazilian legislation, a company is deemed Brazilian if it is formed according to the Brazilian statutes and if its activities and management are headquartered in Brazil, regardless of the origin of its capital. That is, even if all shareholders of a company are located in foreign countries, the entity is still considered Brazilian to legal purposes.

On some activities the law requires a company to be controlled by Brazilian individuals or entities. However, according to Marcondes Advogados, most restrictions may be lawfully overridden by careful planning, which might include the formation of a company in Brazil. All company types foreseen by the Brazilian law are open to foreigners. Thus, foreign companies may opt to form a partnership, a civil company or a corporation. The types of partnerships differ regarding management privileges and liabilities.

The U.S. Commercial Service maintains a list of attorneys that can help U.S. companies interested in setting up operations in Brazil. Companies interested in receiving a copy of such a list should contact:

Marina Konno, Commercial Specialist, e-mail marina.konno@mail.doc.gov

Trade Events

São Paulo, Brazil - EXPOLAZER August 11-14, 2004

EXPOLAZER is South America's largest event for the amusement and entertainment industries. The event reflects the importance of this sector and its innovation capacity, which are attracting new consumers each time. This fabulous growing market in Brazil initiated its outstanding participation in 2001. Adding the sponsorship of ADIBRA – Association of Amusement Parks in Brazil and ANAPP – Brazilian Association of Swimming Pool Accessories and Related Products, the show will offer the industry a unique opportunity of expanding its business.

For more information please contact:

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**Mexico & China Conference
(Offshore Manufacturing Country Analysis)
June 23-25, 2004
Marriott Hotel- El Paso, TX**

Conference Objectives:

- Objectively analyze the business conditions for manufacturing in Mexico and China.
- Obtain detailed and privileged information to help you decide which country is more viable for your company's offshore manufacturing plans.
- Develop an itemized operating costs pro-forma of a potential offshore manufacturing project in China and Mexico.
- Interact with plant managers with operating experience in both countries.

If you would like more information about this conference please visit their website at <http://www.mexico-now.com/2004/elpaso-mexchina.htm>.

**Panama- INFO COM 2004
October 6-8, 2004**

Panama will host InfoCom 2004, a trade event aimed at promoting e-business and information technology in Panama and the Latin American Region.

InfoCom 2004 will include exhibitions, conferences and seminars specially directed to those who have the responsibility to assure the competitiveness of their companies in this new environment. ICIA's exhibitions and conferences are renowned as the premier marketplace environment for the professional audiovisual systems industry worldwide. Since they are offered through the association for the professional AV communications systems industry, these tradeshow are key to enhancing business for the entire distribution chain.

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**Lima, Peru – Building Products Catalog Show
October 29 – November 7, 2004**

Home building has been growing steadily through the last year. The Mi Vivienda program has boosted industry growth nationwide. Industry experts estimate that Mi Vivienda will result in 30,000 new housing units

per year. Privatizations and concessions programs will open business opportunities for heavy equipment and related equipment in the construction industry. Also, major mining projects will boost the purchases of equipment, pre-fabricated housing and related tools.

For more information please contact:

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**Santiago, Chile – Softel 2004
August 6-8, 2004**

Softel 2004 is Chile's largest international trade fair for the information technology sector including computer hardware and software, telecommunication, and Internet. Softel 2004 will be a retail type trade fair to include audio, video, sound and computers.

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Useful Websites

[FITA's International Trade/ Import-Export Portal](http://fita.org) (<http://fita.org>), an excellent source for trade leads, news, events, and a link library of 7,000 sites related to international trade.

[LatinFocus](http://www.latin-focus.com) (<http://www.latin-focus.com>) This site calls itself "the leading source for Latin America economies", and it's probably right. LatinFocus has the latest news and commentary coming out of the region, categorized by country and presented both in English and Spanish.

[ATA Carnet FAQ](http://atacarnet.com/faq.htm) (<http://atacarnet.com/faq.htm>), because it gives you all the information you need to make use of Carnets, which are useful documents for reducing the paperwork and expenses involved in temporary importing into foreign countries.

[Credit Reports](http://www.owens.com) (www.owens.com) Owens OnLine offers credit reports and background checks on companies and individuals in 200+ countries.